Provider Insider

Alabama Medicaid Bulletin **March 2001**

The checkwrite schedule is as follows:

03/09/01 03/23/01 04/06/01 04/20/01 05/04/01 05/18/01 06/08/01
06/22/01 07/06/01 07/20/01 08/03/01 08/17/01 09/07/01 09/14/01

As always, the release of direct deposits and checks depends on the availability of funds.

HIPAA and How Healthcare Professionals Can Prepare

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) calls for standards on electronic health information to be developed. On August 17, 2000, the final rule for national standards for electronic transactions was published in the Federal Register. This rule adopts standards for eight electronic transactions and for code sets to be used in those transactions. Once the rules are published, large health plans will have 24 months to comply and smaller health plans will have 36 months. The overall goal is administrative simplification, but implementation within an organization will be anything but simple. With HIPAA looming on the horizon, we must begin looking at the measures needed for compliance.

As healthcare professionals await final regulations, what can organizations do to prepare? Organizations can begin by following an organizational checklist to assess your readiness and develop your plan. The following list, while not exhaustive, outlines some basic tenets in information for healthcare professionals to follow in designing, using, and maintaining their health information systems in light of HIPAA regulations (These tips were prepared by AHIMA).

General Tips for Implementing HIPAA

- Assign responsibility for tracking the progress of regulations as they develop
- Continue to inform key internal stakeholders about HIPAA and its impact on your information systems and processes
- Seek current information on the industry's approach to HIPAA compliance
- Develop resources (publications, seminars, Web sites, pro fessional networking, etc.) to facilitate development of your approach to HIPAA requirements
- Plan internal educational programs to describe HIPAA requirements to those responsible for implementing the changes

(Continued on Page 2)

In This Issue...

Pass It On!

Everyone needs to know the latest about Medicaid. Be sure to route this to:

- ❒ *Office Manager*
- ❒ *Billing Dept.*
- ❒ *Medical/Clinical Professionals*
- ❒ *Other _____*

HIPAA and How to Prepare (Continued from Page 1)

- Obtain and read copies of the proposed rules from the Federal Register, which can be accessed via HCFA's Web site at http://www.hcfa.gov
- Read the reports and recommendations from the National Committee on Vital and Health Statistics (NCVHS). The NCVHS serves as the statutory public advisory body to the Secretary of Health and Human Services in the area of health data and statistics (The reports and recommendations can be accessed via the NCVHS Web site at http://aspe.os.dhhs.gov/ncvhs through NCVHS Reports and Recommendations.)
- Obtain and read the Internet Security Policy at HCFA's Website
- Meet with key staff in information services and/or vendors to discuss the requirements, identify the people who need to be involved, and develop a plan of action. Share sections of the Federal Register with individuals who need to be involved in preparing for the regulations
- Perform a gap analysis of your existing policies and procedures compared to the requirements of the proposed standards
- Have individuals who need to be involved send you copies of their policies and procedures that address the requirements
- Develop a checklist to help identify those policies and procedures that you will need
- Perform a security evaluation of your present site. A sample checklist can be found at this web site http://www.ceanews.com/hipaa1.htm.

Standardization of Code Sets

- Perform regular coding quality control studies
- Provide feedback on documentation issues that have an impact on the quality of coded data
- Routinely train coding staff on current coding practice
- Provide access to resources available on coding guidelines and best practices. Efficiently update the ICD-9-CM codes in October and the CPT-4 codes (for both transaction and analysis systems) in January of each calendar year.

Healthcare Identifiers

- Become familiar with the Notice of Proposed Rule Making for the employer identifier number (EIN), the taxpayer identification number for employees that is assigned by the Internal Revenue Service
- Read the Notice of Proposed Rule Making for the national provider identifier (NPI)
- Assess the quality of the master person index (MPI)
- Perform required cleanup and eliminate duplications in the MPI
- Institute procedures to maintain the integrity of the MPI
- Train staff on the importance of data quality in an MPI
- Make necessary data quality improvements in registration systems
- Assign responsibility for the maintenance of MPI data integrity
- Perform routine data integrity checks on the provider database
- Develop effective procedures to maintain provider tables
- Integrate or interface provider tables with necessary systems
- Monitor data quality for unique personal identification numbers (UPINs) on billing documents
- Provide easy access to UPIN tables
- Maintain current, complete payer tables
- Perform data quality checks on payer data entry
- Develop feedback loops from the billing process to data collection processes regarding payer data

(Continued on Page 6)

Billing Information for Dental Providers

Effective February 01,2001, Dental Providers should be aware of the rate increase for reimbursement of the following CDT/3 codes:

CDT/3 Code	Current Rate	New Rate
D2752	$304.00	$435.00
D2751	$299.00	$427.00
D2750	$304.00	$434.00

Reimbursement is being increased to 100% of the BCBS rate for these codes. These codes require prior authorization effective January 01, 2001.

Vaccine for Children (VFC) Update

On page A-27 of your Alabama Medicaid Agency Provider Manual, please delete procedure codes 90712 and 90720 from the list of valid VFC codes effective January 1, 2001. The manual will be updated to reflect this change with the April 2001 updates.

Z Codes Have Changed for Hospital Providers

Provider Notice 00-23 was mailed to all hospitals in December 2000 advising of the conversion of outpatient observation Z codes to CPT codes effective December 1, 2000. The policy regarding the use of outpatient observation remains unchanged. Outpatient observation may be billed only in conjunction with the appropriate emergency room facility fee code. The facility fee covers the initial three hours of treatment in the emergency room. If a patient requires more time for observation, the attending physician must write an order for admission to, and discharge from, observation status. The appropriate observation code (99218, 99219, and 99220) may be billed in one hour units up to a maximum of 20 units in a day. Details on outpatient observation may be found in the Hospital Chapter of the Provider Billing Manual. If you have any questions, contact Medicaid's Institutional Services Program at (334) 242-5587.

www.medicaid.state.al.us

Billing Information for Medical Crossover Claims

Medical Crossover Claims that paid using the payee provider number instead of the performing provider number during the period October 1, 1999, through December 31, 2000, were recouped on the February 9, 2001, Provider Explanation of Payments. These claims are identified with a denial code 235, 236, or 238. Medicaid will reprocess these claims again in March.

Many of these claims should repay if the performing provider number is correct on the claim.

If after this reprocessing in March, your claims were still denied, then you must correct the performing provider number on the claim and resubmit the claim. If the claims are within the one-year filing limitation, resubmit them to EDS through your normal procedures. Those claims that are beyond the one-year filing limitation must be submitted either on paper or electronically on diskette **before** May 2, 2001, to the Alabama Medicaid Agency, Attention: Georgette Harvest; PO Box 5624, Montgomery, AL 36103-5624. The time limitation will not be waived on claims received after May 2, 2001. In your letter to Georgette, identify these claims as "235/236/238 Denials" in order for your claims to be processed.

How to Receive the Alabama Administrative Code

The Alabama Medicaid Agency Administrative Code on diskette is mailed to providers quarterly. The diskettes are labeled as the "Alabama Medicaid Agency Administrative Code" with chapters and effective date noted on each diskette. The label also includes instruction "From DOS Prompt – type A:README". When this document is opened it explains which chapters were updated and a contact number. If you do not currently receive these updates and wish to be added to Medicaid's distribution list, please contact EDS Provider Enrollment at 888-223-3630. If you have any questions about the diskettes, please contact Mary Ann Fannin at 334-242-5833.

New Rules Concern Residency Training Programs

The Medicaid administrative code rules applicable to resident physicians enrolled in and providing services through residency training programs have been revised. The changes will become effective for dates of service beginning February 1, 2001. Please incorporate these instructions into your facility's protocols for residents and physicians who supervise residents:

A resident physician enrolled in and providing services through a residency training program may not bill Medicaid for services performed. For tracking purposes only these physicians will be assigned pseudo Medicaid license numbers. Pseudo license numbers must be used on prescriptions written for Medicaid recipients.

Supervising physicians may bill for services rendered to Medicaid recipients by residents enrolled in and providing services through a residency training program. The following rules shall apply to physicians supervising residents:

- The supervising physician shall sign and date the admission history and physicial and progress notes written by the resident.
- The supervising physician shall review all treatment plans and medication orders written by the resident.
- The supervising physician shall be available by phone or pager.
- The supervising physician shall designate another physician to supervise the resident in his/her absence.
- The supervising physician shall not delegate a task to the resident when regulations specify that the physician perform it personally or when such delegation is prohibited by state law or the facility's policy.

Important Mailing Addresses	
Pharmacy, Dental, and UB-92 claims	EDS Post Office Box 244033 Montgomery, AL 36124-4033
HCFA-1500	EDS Post Office Box 244034 Montgomery, AL 36124-4034
Inquiries, Provider Enrollment Information, Provider Relations, and Diskettes for Electronic Claims Submission (ECS)	EDS Post Office Box 244035 Montgomery, AL 36124-4035
Medicare Related Claims	EDS Post Office Box 244037 Montgomery, AL 36124-4037
Prior Authorization (to include Medical Records)	EDS Post Office Box 244036 Montgomery, AL 36124-4036
Adjustments / Refunds	EDS Post Office Box 244038 Montgomery, AL 36124-4038

The January 2001 Alabama Medicaid Provider Manual updates were mailed in February. If you did not receive your copy, please contact EDS at (800) 688-7989.

Medicaid's Smile Alabama! Receives $250,000 Outreach Grant

The Alabama Medicaid Agency has received a grant of $250,000 to enhance existing dental outreach efforts through the Smile Alabama campaign. Funding for the grant is provided through the 21st Century Challenge Fund and will be matched by federal, state, and private funds to total more than $1 million.

Smile Alabama! is an initiative to recruit and retain a solid dental provider base for Medicaid children by asking dentists to accept one new Medicaid child per week. The program is a multifaceted campaign designed to improve access to Medicaid children for routine and preventive dental care through education, provider support, and fair reimbursement.

"We will continue to aggressively pursue outreach initiatives that will result in improving access to and utilization of routine and preventive dental care to all of the children served by Medicaid," said Medicaid Commissioner Mike Lewis. "We are committed to improving the oral health of the children of this state."

The 21st Century Challenge Fund is funded by the Princeton-based Robert Wood Johnson Foundation. Grants are awarded to fund innovative pilot demonstrations or small analytical projects that address specific healthcare problems by increasing access to basic healthcare. Additional funding partners in the Smile Alabama! Initiative includes Alabama Power Foundation, Inc., Alabama Department of Public Health, Family HealthCare of Alabama (West Alabama Health Services, Inc.), and the University of Alabama at Birmingham.

Since the kick-off of Smile Alabama! in October 2000, Medicaid has 23 new dentists who have enrolled to provide care for Medicaid children. In addition to new providers, Medicaid has had a significant response from inactive dental providers seeking to resume participation in the program.

The Smile Alabama! Program Advantages

- Dental reimbursement rates have been increased to 100% of BCBS
- Simplification of the claims processing system
    1. Limited procedures requiring prior authorization
    2. Improved consistency between Medicaid billing requirements and the requirements of other insurers
- Expanded dental services for children
    1. Expanded dental coverage to a number of procedures previously non-covered
    2. Expanded coverage of dental sealants for two more years
- Enhanced provider outreach and education
    1. On-site visits to dental offices to provide technical claims processing support and training
    2. Frequent mail-outs to providers in the form of letters, Provider Insider articles, and Alerts
- Aggressively working to address statewide issues of access and education relating to dental services
    1. Awarded Robert Wood Johnson Grant to further fund outreach efforts
    2. Selected to participate as one of eight states on a national team sponsored by the National Governor's Association to develop strategies to address oral health issues
    3. Continued work with the Dental Task Force to identify and address barriers to routine and preventive care

New Instructions for PA and Claims Processing for Breast Procedures

When submitting requests for prior authorization and subsequent claims for processing of breast procedures performed bilaterally, please submit a request only for the actual units allowed for the procedure. Example: **Bilateral Breast Reduction**. The prior authorization request should indicate the procedure as **19318-50** and "**1**" should be entered under units. Please do not submit prior authorization requests with multiple units for the procedure requested. In addition, do not submit claims with 19318 on detail line one and 19318-50 on the second detail line as this will cause the claim to deny. Instead, submit the claim as 19318-50 on a single detail line. Please contact Diane Mims at (334) 242-5198 if you should have additional questions.

Important New Filing Instructions

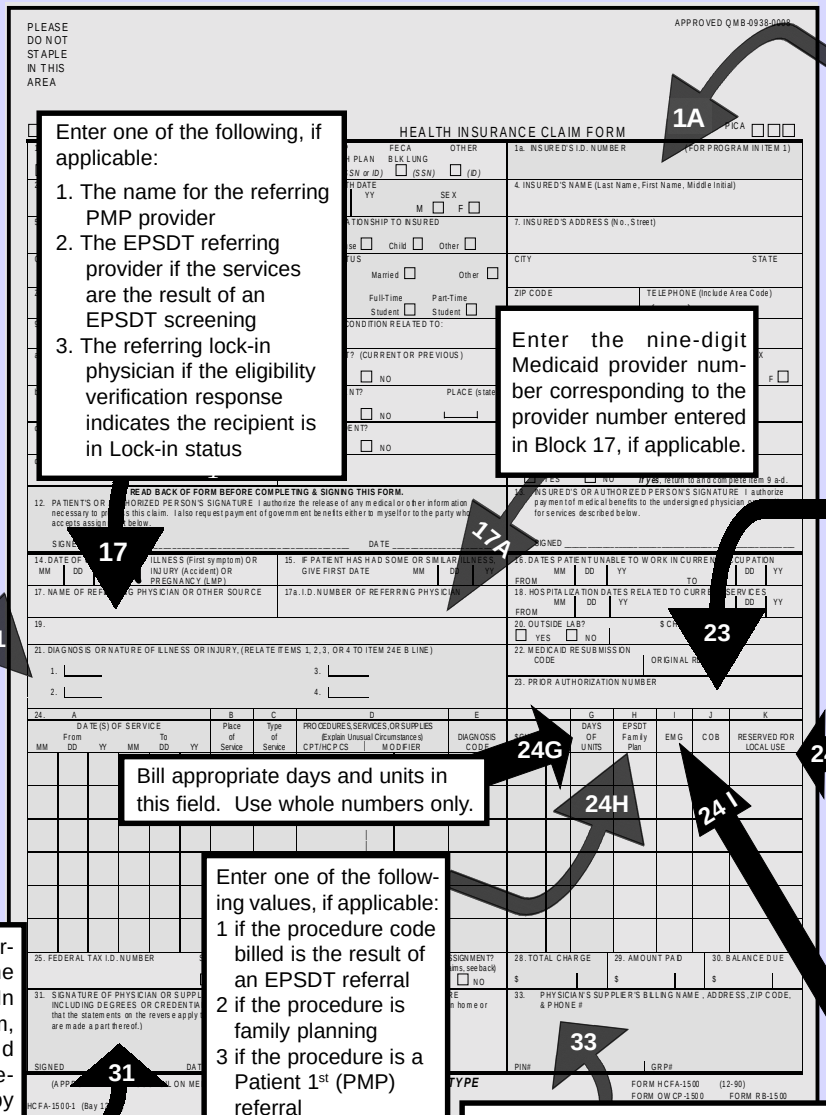
Effective for dates of service April 1, 2001, and thereafter, Medicaid will accept only the valid 5-digit 2001 CPT codes. Be sure the procedure codes you are billing is from the 2001 CPT to prevent denial of your claims.

Also, Medicaid requires diagnosis codes from the 2001 version of the ICD-9-CM for claims submitted on or after January 1, 2001. A code may require three, four, or five digits to be specific. The diagnosis code should be coded to the highest level of specificity. For example, if a diagnosis code requires five digits to be specific then the claim must be filed with all five digits. Be sure the diagnoses you bill are accurately coded to prevent a denial of your claims.

All charges for services of an assistant surgeon must include one of the following modifiers: 80, 81, or 82.

EDS UNIVERSITY

Common Mistakes Providers Make on HCFA-1500 Forms



Enter the patient's 13 digit recipient number (12 digits plus the check digit) from the Medicaid Identification card and/or eligibility verification response.

Enter one of the following, if applicable:

1. The name for the referring PMP provider
2. The EPSDT referring provider if the services are the result of an EPSDT screening
3. The referring lock-in physician if the eligibility verification response indicates the recipient is in Lock-in status

Enter the nine-digit Medicaid provider number corresponding to the provider number entered in Block 17, if applicable.

If the service requires prior authorization, enter the ten-digit PA number provided on the prior authorization notice here. Do not include the PA notice with the claim. Do not use any other number, if this block does not apply to your claim, leave it blank.

Enter the ICD-9 diagnosis code to the highest number of digits possible (3,4, or 5). Do not include diagnosis descriptions, if possible. Do not use decimal points in this field.

Enter the performing provider's nine digit Medicaid provider number. The performing provider is the one who performs the service.

Bill appropriate days and units in this field. Use whole numbers only.

This block is used to indicate certain co-payment exceptions, or Patient 1st referral information for certified emergency. Enter an 'E' for emergency, 'P' for pregnancy, if applicable. Do not enter Y or N.

Enter one of the following values, if applicable:

1 if the procedure code billed is the result of an EPSDT referral
2 if the procedure is family planning
3 if the procedure is a Patient 1st (PMP) referral
4 if the procedure is EPSDT and PMP referred

After reading the provider certification on the back of the claim form, sign the claim. In lieu of signing the claim form, you may sign a Medicaid Claims Submission Agreement, to be kept on file by EDS. The statement "Agreement on File" must be entered in this block. The provider or authorized representative must initial the provider's stamped, computer generated or typed name.

Enter the payee's name and address in the space provided. PIN# is not a required field. Enter the payee's nine digit Medicaid provider number in the GRP# field. The payee number is the number printed in the upper left corner of the EOP. NOTE: If the payee is a group or clinic, the performing provider whose number is listed in Block 24K must be enrolled as a member of the group of clinic.

EDS Provider Representatives

G R O U P 1

bryan.murphy
@alxix.slg.eds.com
334-215-4113

tasha.mastin
@alxix.slg.eds.com
334-215-4159

elaine.bruce
@alxix.slg.eds.com
334-215-4155

denise.shepherd
@alxix.slg.eds.com
334-215-4132

CRNA
EPSDT (Physicians)
Dental
Physicians
Optometric
(Optometrists and Opticians)
Nurse Practitioners
Podiatrists
Chiropractors
Independent Labs
Free Standing Radiology

North: Bryan Murphy and Tasha Mastin

Bibb, Blount, Calhoun, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Etowah, Fayette, Franklin, Greene, Hale, Jackson, Jefferson, Lamar, Lawrence, Lauderdale, Limestone, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Shelby, St. Clair, Talladega, Tuscaloosa, Walker, Winston

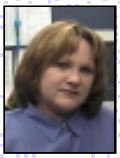
South: Elaine Bruce and Denise Shepherd

Autauga, Baldwin, Barbour, Bullock, Butler, Chambers, Choctaw, Clarke, Coffee, Conecuh, Covington, Crenshaw, Dale, Dallas, Elmore, Escambia, Geneva, Henry, Houston, Lee, Lowndes, Macon, Marengo, Mobile, Monroe, Montgomery, Perry, Pike, Russell, Sumter, Tallapoosa, Washington, Wilcox

G R O U P 2

Children's Specialty Clinics
Prenatal Clinics
Maternity Care
Nurse Midwives
Rural Health Clinic
Therapy Services (OT, PT, ST)
Commission on Aging
DME
Hearing Services
Ambulance
FQHC

Rehabilitation Services
Home Bound Waiver
Mental Health/Mental Retardation
MR/DD WaiverPublic Health
Elderly and Disabled Waiver
Home and Community Based Services
EPSDT
Family Planning
Prenatal
Preventive Education



laquita.wright
@alxix.slg.eds.com
334-215-4199

ann.miller
@alxix.slg.eds.com
334-215-4142

G R O U P 3

kristie.wallace
@alxix.slg.eds.com
334-215-4130

Ambulatory Surgical Centers
ESWL
Home Health
Hospice
Hospital
Nursing Home

Personal Care Services
PEC
Private Duty Nursing
Renal Dialysis Facilities
Swing Bed

Three new Provider Representatives will be hired to fill vacancies in the near future.

HIPAA and How to Prepare *(Continued from Page 2)*

Claims Transactions

- Maintain effective communication regarding claims processing with all affected parties
- Perform routine maintenance on the charge master
- Utilize electronic claims processing and electronic data interchange
- Ensure that vendors of electronic claims submission software are aware of HIPAA and have a plan for transaction processing under HIPAA
- Explore the feasibility of converting to electronic claims processing or outsourcing that function
- Have comprehensive documentation of claim processing
- Routinely monitor remittance information against claims data
- Have an effective process for handling rejected claims
- Aggregate data about rejected claims to improve claims processing
- Become familiar with transaction standards and standards development organizations

Information Security

- Review the proposed standards and assess your organization's level of compliance by performing a gap analysis
- Become familiar with the information security standards and standards development organizations
- Identify existing organizational structures to aid development and implementation of an information security program
- Ensure that policies exist to control access to, and release of, patient-identifiable health information
- Ensure that users of electronic health information have unique access codes
- Ensure that each user's access is restricted to the information needed to do his or her job
- Outline physician responsibilities for protecting the confidentiality of health information in the medical staff bylaws or rules and regulations
- Outline employee responsibilities for protecting the confidentiality of health information in the employee handbook
- Train everyone with access to health information about confidentiality and their responsibilities regarding confidentiality
- Review vendor contracts for outsourcing of health information to ensure that they include provisions regarding confidentiality and information security
- Ensure that system managers, network managers, and programmers do not have unlimited and unrecorded access to patient information
- Monitor access to information and put corrective action plans in place for violation of organization policy
- Perform risk assessments to prioritize and continually improve the security of the systems *(Continued on Page 8)*

Provider Electronic Solutions (PES) Software Version 1.09 is Available

EDS Provider Electronic Solutions Software
Version 1.09 Request Form

DATE REQUESTED: _____

PROVIDER NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE NUMBER: ( ) _____

CONTACT NAME: _____

What version of Windows do you have on your PC?

☐ Windows 95 ☐ Windows 98 ☐ Windows NT ☐ Other _____

☐ 9 Diskettes ☐ 1 CD ROM

☐ Complete Install of PES
☐ Upgrade

Mail this request to:
EDS
P.O. Box 244035
Montgomery, AL 36124-4035

If you need a copy of version 1.09 of the PES software, please complete the above form and mail it to EDS or download it from the Medicaid website.

Version 1.09 of the PES software is now available. It contains several improvements such as changing all claim types to allow input of the maximum number of details and added additional text messages for error codes that are returned on a rejected response.

There are two forms of Provider Electronic Solutions software that are available to providers free of charge. The first is a complete install of PES. This form of the software should be ordered if you have never installed PES on your computer. This form contains the complete installation program including the database and base list files. **If PES already exists on your computer and you install this form of PES, you will overwrite your database and any existing list files (recipient, provider, procedure code, etc… databases).** The second form of PES should be ordered if you already have PES on your computer. This form of the software is an upgrade. Upgrades contain any improvements or additions that we have added to the earlier versions of PES. **Upgrades will not overwrite your database or list files.**

HIPAA and How to Prepare *(Continued from Page 7)*

Electronic Signature

- Identify the use of the electronic signature in your organization
- Perform a gap analysis for electronic signature applications to assess compliance with proposed standards for electronic signatures
- Become familiar with the electronic signature standards and standards development organizations
- Discuss the proposed requirements with current vendors who may be supporting your organization's information systems
- Familiarize yourself and employees with new and emerging information security technologies
- Research various certificate authorities to determine costs and identify a potential candidate

Resource List

Web Sites

AHIMA — www.ahima.org

Computer-based Patient Record Institute http://www.cpri.org

HCFA — http://www.hcfa.gov q NCVHS — http://aspe.os.dhhs.gov/ncvhs

Posting of law, process, regulations, and comments — http://aspe.os.dhhs.gov/admnsimp/

Posting of X12 implementation guides — http://www.wpc-edi.com/hipaa

EDS

Alabama Medicaid Bulletin

Post Office Box 244035
Montgomery, AL 36124-4035

PRSRT STD
U.S. POSTAGE
PAID
PERMIT # 77
MONTGOMERY AL